

**Emergence of Local Retail Food Franchises in the Middle East:
The Influence of Foreign Franchises
-Focus on Saudi Arabia & United Arab Emirates-**

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Abstract

The purpose of this research is to answer the basic question “How did foreign retail food franchises imported to the Middle East contribute to the creation of local retail food franchises?” Research about franchising in the Middle East is minor, and is mainly concerned with retail franchise developments caused by imported foreign franchises. Emergence of local franchises, food and non-food, and reasons and circumstances which accompanied their emergence, were hardly addressed in literature. This research proposes that foreign franchises contributed to the creation of local ones by being a benchmark for them at various business functions being competition, strategy, marketing and operations, as by effect of founders’ backgrounds characterized by extensive contact with and exposure to foreign franchises. The research deals with the research question by a further proposition that setbacks which faced certain foreign franchises in the region contributed to the establishment of local franchises based on avoiding these setbacks. Qualitative case study methodology was applied and a case of prominent local retail food service franchise has been selected from each of the Kingdom of Saudi Arabia and United Arab Emirates. The research reaches to the conclusion that proposed causes of contribution are in close relevance to the research question. In the cases studied, foreign franchise backgrounds of local entrepreneurs did inspire them to start-up their own local food franchise concepts. Foreign franchises were a benchmarking reference for local entrepreneurs in all four of the above proposed business functions against which they established their local food franchises. Additionally, this research concludes that setbacks and difficulties which faced foreign franchises, in some cases not successfully overcome, were a significant factor that led to creating local franchise counterparts. Further research findings and implications for theory, practice and future research are brought in the research.

Keywords: *Local, Retail, Food, Middle East, Entrepreneur*